

Message Text

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ACTION IO-14

INFO OCT-01 ADP-00 ACDA-19 CIAE-00 INR-10 L-03 NSAE-00

NSC-10 RSC-01 SCI-06 SCEM-02 ABF-01 OMB-01 TRSE-00

AF-10 ARA-11 EA-11 EUR-25 NEA-10 SS-15 RSR-01 /151 W

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R 180927 Z JUN 73

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TO SECSTATE WASHDC 3009

INFO AEC/ GERMANTOWN

LIMITED OFFICIAL USE SECTION 1 OF 2 IAEA VIENNA 5036

EO: 11652: N/A

TAGS: AORG, OGEN, OCON, IAEA

SUBJ: IAEA BOARD OF GOVERNORS - FINANCING OF TECHNICAL ASSISTANCE

REF: IAEA VIENNA 4810

1. SUMMARY: INDONESIA PROOOSAL FOR STUDY OF FINANCING TECHNICAL ASSISTANCE FROM REGULAR BUDGET RESULTED IN CONSENSUS CALLING ON DG TO MAKE STUDY AND INFORM GC OF EXISTENCE OF SAME BY REFERENCE IN HIS STATEMENT IN PLENARY. MOST OBJECTIONABLE LANGUAGE IN INDO-NESIAN DRAFT RES ELIMINATED FROM CONSENSUS, WHICH STILL ACCEPTED QTE VERY RELUCTANTLY UNQTE BY SOVIETS. MISSION PROPOSES ENCOURAGING SECRETARIAT TO STUDY ISSUE TO DEATH. ACTION REQUESTED: NONE. END SUMMARY

2. IN FURTHER CONSULTATIONS SUBSEQUENT TO REFTTEL, INDONESIANS ABANDONED IDEA OF AMENDING GENERAL CONFERENCE AGENDA WITH ITEM ON TA AND AGREED TO SEVERAL CHANGES IN WORDING OF DRAFT RES (PROVIDED THESE COULD BE PROPOSED BY OTHERS AND ACCEPTED BY INDONESIA IN SPIRIT OF COMPROMISE) WHICH ALIMINATED SEVERAL PREJUDICIAL OR CONTENTIOUS POINTS OF LANGUAGE IN PREAMBULATORY PARAS (COPIES OF GOV/1614, CONTAINING INITIAL TEXT OF RES, POUCHED). FINALLY, IN- DONESIA ACCEPTED REFERENCE TO QTE EXISTENCE OF THIS STUDY UNQTE IN DG STATEMENT TO GENERAL CONFERENCE PLENARY AS SUFFICIENT TO SATIS-
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FY REQUIREMENT THAT GC BE INFORMED, AND THAT INDONESIA WOULD SO STATE IN OPENING BOARD STATEMENT.

3. INDONESIAN OPENING STATEMENT RAN ALONG FAMILIAR LINES, URGING THAT TA BE TREATED ON EQUAL FOOTING WITH OTHER MAIN FUNCTIONS OF AGENCY BY INCLUSION IN REGULAR BUDGET RATHER THAN BE SUPPORTED FROM VOLUNTARY CONTRIBUTIONS. HE DIVORCED PROPOSAL FROM TARGET FOR VOLUNTARY CONTRIBUTIONS, CALLING LATTER SHORT- TERM SOLUTION BUT INCLUSION IN REGULAR BUDGET ONLY EFFECTIVE LONG- TERM TREATMENT. HE MADE EXTENSIVE REFERENCE TO 1962 UK PROPOSAL (SUPPORTED BY US AND MOST WESTERN COUNTRIES AND, IRONICALLY, OPPOSED BY INDONESIA) TO SAME EFFECT, QUOTING FROM GC (VII)/236. COMMENT: AS MISSION UNDERSTANDS IT, THIS PROPOSAL WAS INTENDED AS DEVICE TO FORCE SOVIETS, WHO UP TO THEN HAD BEEN CONTRIBUTING NOTHING AT ALL TOWARD AGENCY' S TA PROGRAM, TO PAY UP. INDONESIAN PRODUCED FEW CHUCKLES IN EXPLAINING VOTING LINEUP AT THAT TIME. END COMMENT. HIS RES, HOWEVER, INTENDED TO AVOID BOARD TAKING POSITION THIS ISSUE AT ONCE; INSTEAD, IT WOULD MERELY HAVE BOARD DECIDE TO STUDY ISSUE AND DG SO INFORM GC BY MEANS SPECIFIED PARA 2 ABOVE.

4. INDIAN REP BEGAN SUPPORTING STATEMENTS WITH DEFENSE OF INCLUSION TA IN REGULAR BUDGET, ALTHOUGH NOT EXCLUDING OTHER MEANS OF FINANCING, AND POINTING TO EROSION REAL VALUE OF TA PROGRAM FUNDS. HE SUGGESTED THAT DG, IN FIRST INSTANCE, BE INVITED PREPARE STUDY, WHICH SHOULD INCLUDE FACTUAL, HISTORICAL ACCOUNT OF COURSE OF 1962 UK PROPOSAL. FOLLOWING LDC REPS MADE STATEMENTS EXPRESSING FULL SUPPORT OF INDONESIAN PROPOSAL: BRAZIL, EGYPT, SRI LANKA, MEXICO, COLOMBIA, ARGENTINA, SAUDI ARABIA, ZAIRE. NONE SPOKE MORE THAN ONE OR TWO MINUTES.

5. UK AND FRG EXPRESSED UNDERSTANDING INDONESIAN FEELINGS, ALTHOUGH OBJECTING TO PROPOSITION THAT TA SHOULD BE INCLUDED IN REGULAR BUDGET. THEY THEN MADE AND EXPLAINED PROPOSALS FOR CHANGES IN LANGUAGE AS PREVIOUSLY AGREED, WHICH INDONESIAN ACCEPTED, AND EXPRESSED STRONG PREFERENCE FOR BOARD CONSENSUS RATHER THAN RESOLUTION AS SUCH. POLAND BRIEFLY OPPOSED IDEA, OBJECTING TO RESULTING COMPULSION TO PAY VOLUNTARY CONTRIBUTIONS IN CONVERTIBLE CURRENCIES. USSR MADE LONG AND SOMEWHAT RAMBLING STATEMENT OBJECTING FORCEFULLY FOR EVERY CONCEIVABLE REASON TO INCLUSION TA IN REGULAR BUDGET AND REAFFIRMING THAT TA SHOULD BE VOLUNTARY, IN WHICH LIMITED OFFICIAL USE

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REGARD USSR HAD RECENTLY INCREASED ITS CONTRIBUTION AND PROPOSED TO CONTINUE CONTRIBUTE AND SUPPLY ASSISTANCE BILATERALLY. SOVIETS ASSERTED THAT ADOPTION SUCH A PROPOSAL WOULD GET AGENCY INTO SERIOUS TROUBLE. DURING COURSE OF STATEMENT, SOV REP THREW IN STANDARD SENTENCE OBJECTING TO TA IN SOUTH VIETNAM, ISRAEL AND ROK,

AND ALSO STATED SOVIET WILLINGNESS TO PROVIDE URANIUM ENRICHMENT SERVICES TO ANY COUNTRY REQUIRING SUCH SERVICES.

6. US CALLED FOR ANY STUDY BY DG TO TREAT POSSIBILITIES AND IMPLICATIONS ALL FORMS OF FINANCING FOR TA PROGRAM, NOT LIMITED TO REGULAR BUDGET. HE BASED ACCEPTANCE OF COMPROMISE SOLUTION ON UNDERSTANDING THAT DG COULD INFORM GC THROUGH HIS STATEMENT. US OBJECTED TO PRINCIPLE THAT TA SHOULD BE ANYTHING BUT VOLUNTARY, STRESSING THAT ANY EFFORT ALTER PRESENT VOLUNTARY PROGRAM MIGHT WELL RESULT IN ACTUAL DIMINUTION OF US SUPPORT AND POSSIBLY THAT OF OTHERS AS WELL; SUCH PROBABILITY DANGEROUS IN EXTREME FOR AGENCY AND SHOULD BE TAKEN INTO ACCOUNT. BASIC ISSUE WAS TO RAISE MONEY, NOT DECLARE PRINCIPLES OR CHANGE SYSTEM, AND US WILLING CO-OPERATE VOLUNTARILY IN SUCH EFFORT. EXPRESSING BELIEF, HOWEVER, THAT ALL MEMBERS WOULD FIND FULL, DISPA
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7. AFTER BREAK FOR CONSULTATIONS, INDONESIAN FINALLY AGREED ACCEPT CONSENSUS STATEMENT INSTEAD OF RESOLUTION. CONSENSUS NOTED OPPOSING STATEMENTS ON SUBSTANCE OF INCLUSION TA IN REGULAR BUDGET, BUT GENERAL ACCEPTANCE THAT TA MAIN FUNCTION OF AGENCY IMPORTANT TO ALL MEMBERS, THAT IT DEPENDENT ON VOLUNTARY CONTRIBUTIONS, AND THAT IT OBLIGATION OF BOARD TO KEEP EXECUTION ALL AGENCY PROGRAMS UNDER REVIEW, BEARING IN MIND NEED ASSIGN TA DUE PLACE. BOARD INVITED DG MAKE STUDY OF QTE THE POSSIBILITIES AND IMPLICATIONS OF ALL MODES OF FINANCING THE PROVISION OF TECHNICAL ASSISTANCE BY THE AGENCY, INCLUDING IN PARTICULAR FINANCING FROM THE REGULAR BUDGET UNQTE AND REPORT TO BOARD, AND ALSO INFORM GC OF EXISTENCE OF STUDY. SOVIETS ACCEPTED CONSENSUS STATEMENT WITH PROVISIO THAT CHAIRMAN SPECIFY THAT THIS JOINED IN VERY RELUCTANTLY BY SOME MEMBERS, AND REQUESTED THAT RECORD SHOW MEMBERS WHO

OPPOSED IDEA OF INCLUSION TA IN REGULAR BUDGET. WITH THIS PROVISIO,
CONSENSUS ACCEPTED BY BOARD.

8. COMMENT: INDONESIA OBTAINED HIS STUDY AND DG REFERENCE TO IT
IN GC, WHICH WAS HIS MINIMUM INSTRUCTED DEMAND AND WHICH BOARD
COULD NOT EASILY HAVE COMPLETELY SUPPRESSED WITHOUT CHARGE (WITH
SOME VALIDITY) OF MUZZLING MEMBER OF AGENCY. DESPITE LOW- KEY MAN-
NER CHOSEN TO INFORM GC OF EXISTENCE OF STUDY, IT QUITE LIKELY
THAT NUMBER OF LDC' S WILL REFER TO IT AT GC IN PLENARY OR COMMIT-
TEE; MISSION FEELS THAT, THIS BEING CASE, DG STATEMENT NOT WHOL-
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LY BAD THING AS IT WILL ENABLE DEVELOPED COUNTRIES TO AVOID ACRI-
MONIOUS DISCUSSION OF MERITS OF ISSUE WHILE DG STUDY IN PROGRESS.

9. SECRETARIAT NOW BEGINNING TO GRAPPLE WITH PROBLEM OF WHO WILL
PREPARE STUDY AND HOW; INDONESIA APPARENTLY HAVE NO GUIDELINES.
MISSION PLANS TO ENCOURAGE SECRETARIAT TO STRING STUDY OUT AS LONG
AS POSSIBLE BY LITERAL READING OF PHRASING ON POSSIBILITIES AND
IMPLICATIONS ALL MODES OF FINANCING, AND TO PRESS FOR ASSESSMENT
OF PROBLEMS THAT INCLUSION IN REGULAR BUDGET WOULD CAUSE, DUE IN
PART TO EXTREME OPPOSITION OF DEVELOPED MEMBERS, AS REFLECTED IN
BOARD RECORD. AT EARLIEST, STUDY MIGHT BE AVAILABLE AT TIME OF
A& B COMMITTEE MEETING NEXT SPRING, BUT IF IT CAN BE MANAGED MIS-
SION INTENDS TRY PROLONG PROCESS FURTHER, BEYOND EXPIRATION OF
PRESENT INDONESIA TERM ON BOARD IN SEPTEMBER QOURM IN ANY EVENT,
STUDY SHOULD COME TO CONCLUSION THAT INCLUSION IN REGULAR BUDGET
WOULD BE FRAUGHT WITH PROBLEMS FOR TA PROGRAM AND THAT PROGRAM
LIKELY TO BE BETTER OFF IN TERMS OF REAL DELIVERED ASSISTANCE RE-
MAINING ESSENTIALLY AS IT IS. PORTER

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